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THE BECKER MILK COMPANY LIMITED Annual Report Year ended April 30, 1972





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## Highlights of the year

	Year Ended April 30		
		Percentage	
	1972	1971	Change
Sales . . . . .	68,670,017	56,956,164	+20.6
Operating earnings . . . . .	4,381,989	3,252,808	+34.7
Net earnings . . . . .	1,611,144	1,075,002	+49.9
Earnings per share . . . . .	.92	.60	+53.3
Long term debt . . . . .	2,667,337	2,652,730	+ .6
Shareholders' equity . . . . .	7,884,081	6,468,957	+21.9
Shares outstanding — Class A . . . . .	5,675	5,675	—
— Class B . . . . .	1,179,610	1,178,470	—
— Common . . . . .	540,750	540,750	—
Number of Stores . . . . .	374	340	+10.0
Number of employees . . . . .	1,489	1,406	+ 5.9



## Becker country is jug milk country

Milk is one of nature's most complete foods. It is crucial to our physical health. An abundant supply of milk usually means healthy people. It is also essential that the abundance of the supply of milk be combined with a low price to the consumer to induce people to use more milk.

This was the aim of The Becker Milk Company Limited fifteen years ago when we set out to provide milk at a low price by using methods of packaging and distribution then novel to our area.

That was the start of the Becker country, the jug milk country. A small start — just a dairy and five stores in Metropolitan Toronto. We brought efficiencies into the production and distribution of milk which established

us price leaders for milk in Ontario. Customer acceptance of our marketing concept made our subsequent growth possible.

For fifteen years the Becker country has grown, from Toronto to the surrounding communities and to the more distant cities, towns and villages of Ontario. There are now Becker's stores in over 75 different communities in Ontario. Becker country now spans Ontario from London to Campbellford and from Stoney Creek to Collingwood.

The marketing of low priced jug milk is our primary business philosophy but other factors were necessary for our success. Notably convenience and friendly personal service. Becker country is not only jug milk country, it is also convenience country.

Our customers shop at conveniently located stores. We offer store opening hours convenient to our customers and give them fast, friendly and personalized service. We carry ample selection of high demand merchandise of high quality at competitive prices.

Becker's stores feature desirable merchandise, well exhibited and easily accessible. This combined with economy and convenience is the success formula of Becker country. It has been our basic formula from the start and it has been developed and improved with experience gained throughout the years and by being constantly alert for new ideas and changes in the market place. We will continue to improve our formula to ensure the continued growth of Becker country in the coming years.









## Directors' report to the shareholders

A year ago in our report to the shareholders, we felt that we were in a position to conclude the report in an optimistic vein. We had just then ended a year notable for a lengthy period of full scale supermarket "price war". We believed that the all out "price war" had ended and that we were back to the normal condition of our industry, that of intensive competition.

Reporting now the results of our fifteenth year of operations we are very pleased indeed that our predictions were proven to be correct. Easing business conditions generally and the curtailment of competitive activity in our own industry particularly have enabled us to once again establish new performance records.

During the year we saw a number of shorter duration publicity campaigns when various chains entered or re-entered discounting under various slogans and catchwords. Even then the prices generally remained more stable than they had been during the initial period of "price war". In some cases such activity has also been localized to stores in a limited area and sometimes has only involved the loss-leadering of a small number of commodities.

The operating results for the year again prove that we have learned to operate successfully within such competitive environment.

Sales for the year reached \$68,670,017, an increase of 20.6%. At the end of the year there were 374 stores in operation, this representing a net increase of 10%. Even more gratifying was the improvement in our net earnings from operations. The increase here was 63% to \$1,611,144. This is the equivalent of 92 cents per share and compares to 55 cents per share for the previous year.

This latest year of record achievement is partially a reflection of the changes in business conditions as outlined above. It was also made possible by the continued customer acceptance of our marketing policies and by the sustained efforts and loyalty of our employees at all levels of our organization.

We have been fortunate during the last year to secure the services of new managerial personnel for the areas of administration, distribution, advertising and franchising.

To facilitate our continued growth it was opportune that we were able to reinforce our organization with these new members to our Becker family. They have brought to us considerable knowledge and expertise in their respective fields of endeavor.

A significant new development during the year was the establishment of a dividend policy. In view of our very satisfactory earnings record, semi-annual dividends were declared on Class "B" preference shares in September 1971. Dividends amounting to 10 cents per share have now been declared and paid for the past year on Class "B" preference and on common shares.

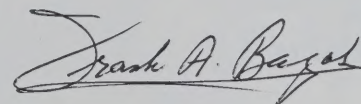
In our quest for new ideas in marketing we embarked upon an experimental programme of franchising during the latter part of the past year. This is a method which has successfully been used for the distribution of a wide variety of commodities and services. In particular it has gained acceptance with the convenience store industry both in the United States and in Canada. In our case at the end of the year only a

small number of stores had been franchised and are in operation now. At this point the results are promising and we are confident that a long-term evaluation will prove the worth of this new venture.

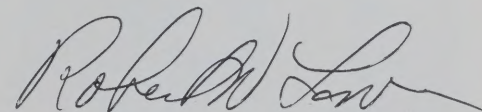
In regards to the availability of capital, we are pleased to report that we were able to negotiate an extension of the time limit for the availability of the funds under the series "C" Debenture agreement. The date for the draw-downs for the \$2,000,000 balance available to us from The Royal Bank of Canada has been extended to June 30, 1974.

We look forward to another challenging year of growth. We are in a strong financial position, have the support of willing and loyal employees and hold the acceptance of our customers. To further advance our growth we would like to suggest that our shareholders whenever possible, patronize Beckers' stores and that they introduce the convenience, quality and price conscious service of the Becker Country to all their friends and acquaintances.

Sincerely,



Chairman of the Board



President.



## Meeting the challenge of growth



### Becker label products

Over the past fifteen years we have developed an impressive line of Becker label products, of which we are justly very proud.

We have limited this line of products displayed on these pages to items for which there has been a demonstrated high demand by the customers patronizing our stores. We are also most concerned that all the items sold under our label, whether processed by ourselves or by outside suppliers be consistently of the highest quality.

Only a few changes to the Becker label products were made during the year in an effort to meet the demands of our customers and to improve the products.

A new line of ice-cream novelty multi-packs was added, the "Cool Companions", in attractive and colourful cartons. Another development was the design change of the packaging for Becker label tea. This new design in striking colour has greatly enhanced the appearance of the product.







## Administration, store personnel, store development and distribution

### Administration

Development of administrative services has kept pace with the needs of the operating segments of our organization. The growth of our operations, as expressed in the number of stores, has been but one part of the increased service requirements. The even more important element has been the need for faster and more sophisticated methods to effectively control the day to day operations and to provide data upon which decision making can be based.

The centre of the service is our computer installation, now upgraded to IBM System 360, Model 30 specifications. It is a vital factor to our administrative services, yet it could not function without the many individuals who make up our office staff. These competent and dedicated employees collect the information for the computer to process, operate it, analyse the data generated and make the system work effectively. As in any other area of our operations, it is the people that represent our principal resource.

The departments which make up our administrative section have been further strengthened by the appointment last year of a Comptroller, a Chartered Accountant whose knowledge of our type of operations made him an eminently suitable candidate for this position.

### Store personnel

Ever since we opened our first five stores and until the latter part of this past year, all our stores had been company owned and operated units. Our system of remunerating the personnel managing these stores is based upon commissions. This and the independence of the managers in selecting and controlling their own help gives them a vital personal interest in the success and the sales volume of their stores.

We have always been aware of the importance of the initial selection and training of personnel and the subsequent need to keep their interest in their task and their loyalty to the company. With this in mind we have developed programmes of training and of incentives and have strived to continuously improve and perfect such programmes.

### Franchising

The success of our methods has been well proven over the years but this has not stopped us from now exploring a different and apparently also a very promising method of operations. Dur-

ing the past year we decided to embark upon a trial programme of franchising. We were most fortunate in being able to augment our management team with a new member who brought to us his very considerable experience in the field of franchising, particularly in the area of convenience store operations.

A franchising programme has now been launched and a small number of franchised stores have been in operation for some time. The results have been very encouraging so far but a longer period of time will be needed to fully evaluate the results. We are confident that we will find it advantageous to operate a number of franchised stores concurrent with our company owned stores.

*Beckers' training school in session*



*Beckers' computer room.*





## Store development

Our established programme to improve overall efficiency of operations is directed towards continued profitable growth within our extremely competitive environment. This has necessitated a regular evaluation of our individual stores as to their contribution to growth and earnings.

This past year we again found that, for some stores, changes in the marketing area, either in population, availability of physical facilities or in traffic arrangements and patterns, had impaired profitability to the point where it became advisable to close such stores.

During the year we closed nine stores and lost one by fire. We opened a total of 44 new stores and the resulting net increase in our outlets was 34 stores or 10%. Our original marketing area which consisted of Metropolitan Toronto,

Oshawa and Hamilton showed a net increase of 8 stores only as all of the closed outlets were in that area. For the first time the largest increase was in our new marketing areas, amounting to 76% of the net increase. Details of our marketing areas and the distribution of our stores in those areas are shown on the Becker Country map on page 23.

Some years ago the scarcity of good store locations, then aggravated by construction slowdown occasioned by tight money policy, directed us to developing some of our own locations. We have now found this to be sufficiently advantageous to continue such development even in the present eased conditions. During the year we have built a number of stores from a single unit to a shopping plaza which

now houses not only our store and four other rented units but also our local branch operation, custom built to our requirements.

A new development last year was the opening of a store in a condominium development. There we have an unusual situation — our customers, as part owners and landlords, are directly interested in the success of the store.

In our marketing area we are now represented in Metropolitan Toronto and 75 other communities. However, there are still communities in Becker country where our store or stores could successfully be located. We also have unabated population growth in many communities where we are now located. This gives us confidence that our growth will continue as before.







Part of Beckers' fleet

This is another area of our operations where during the year we were able to make a very appropriate addition to our management personnel. All the departments making up our system of distribution, from shipping to delivery service and to the operation and maintenance of our fleet, were brought under the overall responsibility of a Distribution Manager.

The experience of many years in fleet and traffic operations was brought to us by the man appointed to this position.

We aim to benefit by this experience and look forward to providing even better and speedier service to our many stores.

### Distribution

The constant expansion of our Becker country, both in the numbers of stores and in its range, places increasing demands upon our distribution service. A large fleet of trucks of many descriptions, from light delivery units to a tractor and trailers train combination, are on the road every day of the week and through all the seasons. Milk, bread, ice cream, soft drinks, cigarettes and many other products are speedily dispatched to meet the needs of our stores for fresh product.





## Processing Department

The principal improvements to our plant during the past year have been the addition of a warehouse and a new milk receiving area.

The warehouse is a 10,000 square foot area, attached to our main plant building. It is used to store resale merchandise, other than milk and ice-cream, for distribution to our stores. Such merchandise was previously warehoused in the storage area for returnable milk containers and the new addition is most welcome. The volume of both the containers and the merchandise had constantly increased and the relief of obtaining more floor-space was timely.

Additional benefits accruing are that improved inventory controls are now feasible and that we are in a position to enlarge the line of product handled by our own distribution system.

The new milk receiving area can simultaneously accommodate three tank trucks in an enclosed area for unloading and cleaning. The area is fitted with up-to-date equipment for unloading and testing the milk and for cleaning and sanitizing the tanks.

Our milk storage capacity was also increased by the addition of our second 250,000 lbs. silo storage tank. A new high capacity separator completes the equipment improvements in the milk receiving area.

In the processing area, an improved and higher capacity homogenizer was added. These latest additions and improvements have assured us that the processing departments capacity for efficient production has kept pace with the demands of increased volume for our products.

*Quality Control Lab.*



*Interior - Processing Plant.*





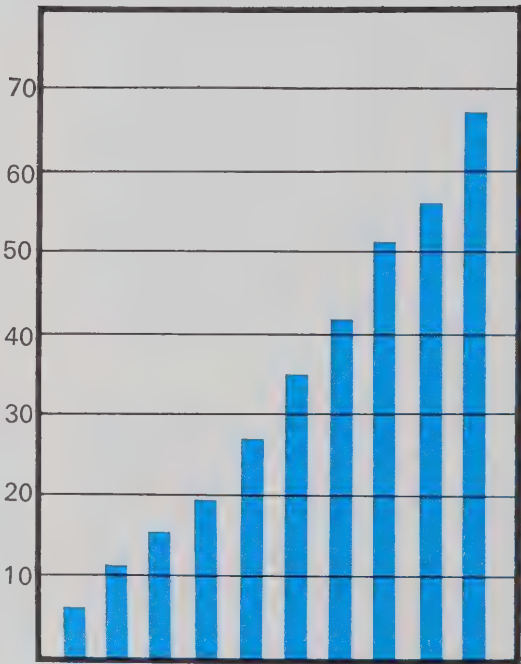
# Financial Position

At the end of this past year we were in a very strong financial position. Our cash flow from operations was again sufficient to finance our expansion, to pay dividends to the holders of all of our shares and very substantially to increase our working capital.

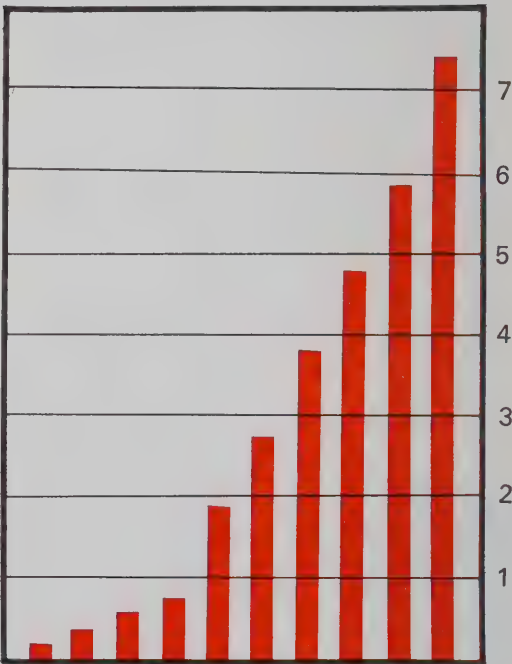
During the year our working capital increased by \$452,110 or 54%, despite the fact that dividend payments were increased considerably as our first dividends declared on Class "B" preference and on common shares were paid. Expenditures for fixed asset acquisitions were at approximately the same level as in the previous year. The total of over 2.1 million dollars was disbursed, the most significant part of this for the purchase of land and buildings, for building construction and to equip 44 new stores. The balance was used for the purchase of new plant and truck equipment.

The financing of our growth, at the rate of the past few years, is more than assured from our cash flow. We also continue to be in a position where adequate funds can be made available under the debenture arrangement with the Royal Bank of Canada to finance any extraordinary expansion, should favourable opportunities present themselves.

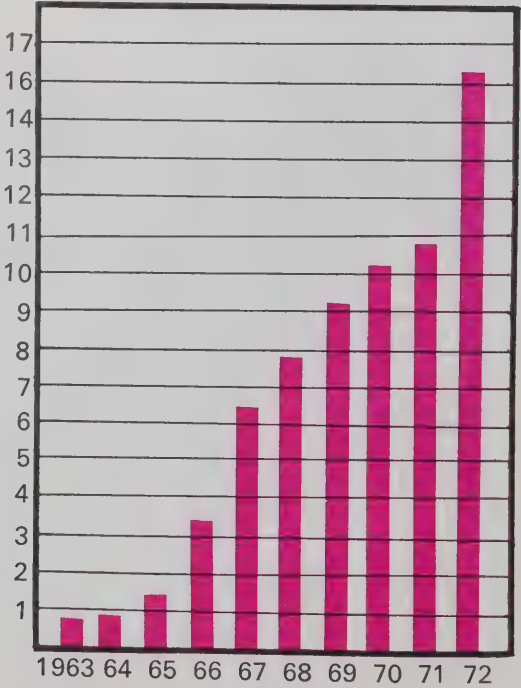
Total Sales  
in Millions of dollars



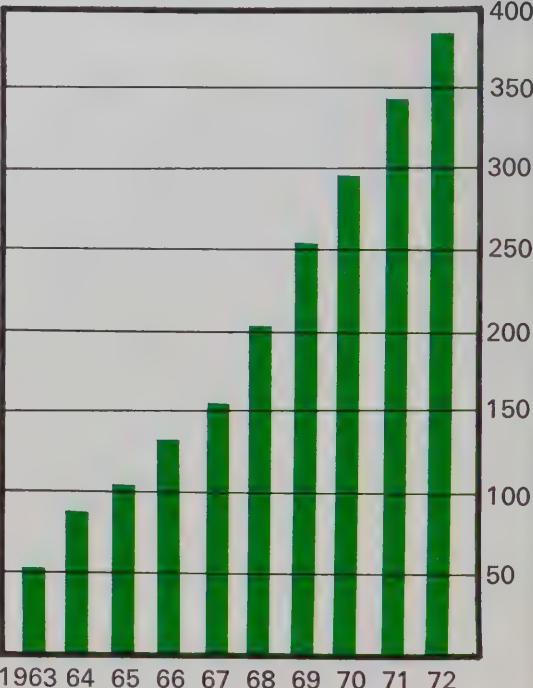
Shareholders' Equity  
(Class B and Common) in Millions of dollars



Net Earnings (after tax)  
in Hundred Thousands of dollars.



Number of Stores





*The Becker Milk Company Limited and Subsidiary Companies*

**Consolidated Statement of Retained Earnings**

For the year ended April 30, 1972

	1972	1971
	\$	\$
Balance at beginning of year . . . . .	5,043,723	4,002,771
Net earnings for the year . . . . .	1,611,144	1,075,002
	<u>6,654,867</u>	<u>5,077,773</u>
Dividends — class A preference shares . . . . .	34,050	34,050
— class B preference shares . . . . .	117,904	—
— common . . . . .	54,075	—
	<u>206,029</u>	<u>34,050</u>
Balance at end of year . . . . .	<u>6,448,838</u>	<u>5,043,723</u>

**Consolidated Statement of Earnings**

For the year ended April 30, 1972

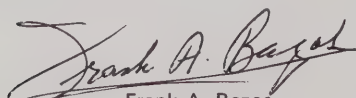
	1972	1971
	\$	\$
Sales . . . . .	68,670,017	56,956,164
Cost of goods sold . . . . .	<u>49,974,910</u>	<u>41,385,099</u>
Gross profit . . . . .	18,695,107	15,571,065
Operating expenses . . . . .	<u>14,313,118</u>	<u>12,318,257</u>
Earnings before depreciation and amortization, interest charges and taxes on income . . . . .	4,381,989	3,252,808
Depreciation and amortization — Note 8 . . . . .	1,110,483	958,516
Interest charges . . . . .	175,962	195,230
Taxes on income . . . . .	<u>1,484,400</u>	<u>1,111,560</u>
Net earnings before extraordinary item . . . . .	1,611,144	987,502
Add: Compensation for store expropriation . . . . .	—	87,500
Net earnings for the year . . . . .	<u>1,611,144</u>	<u>1,075,002</u>
Net Earnings Per Class B And Common share — Note 6 . . . . .		
Before extraordinary item . . . . .	.92	.55
Extraordinary item . . . . .	—	.05
Earnings per share . . . . .	<u>.92</u>	<u>.60</u>




*The Becker Milk Company Limited and Subsidiary Companies*  
**Consolidated Balance Sheet**  
as at April 30, 1972

<b>ASSETS</b>	<b>1972</b>	<b>1971</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash .....	1,236,871	57,514
Marketable securities — at cost .....	6,073	6,073
Store managers' accounts and sundry accounts receivable .....	273,582	199,703
Advances to employees .....	7,755	1,792
Inventories —		
Plant, at lower of cost or net realizable value .....	1,190,675	1,112,365
Stores, at lower of cost or net realizable value less normal profit margin .....	3,227,700	3,030,439
Prepaid expenses and deposits .....	208,644	180,046
Mortgage receivable .....	1,167	—
	<u>6,152,467</u>	<u>4,587,932</u>
<b>Investment</b>		
Mortgage receivable — less current portion .....	<u>15,198</u>	<u>22,000</u>
<b>Fixed Assets — Note 2</b>		
Assets — at cost .....	14,911,675	12,813,015
Less: Accumulated depreciation and amortization .....	5,309,126	4,272,138
	<u>9,602,549</u>	<u>8,540,877</u>
<b>Other Assets</b>		
Rent deposits .....	13,580	13,580
Progress draws on building construction .....	15,006	79,081
Payment in respect of retail sales tax assessment — Note 3 .....	163,375	163,375
Sundry .....	92,712	57,274
	<u>284,673</u>	<u>313,310</u>

Approved on behalf of the Board:

  
Frank A. Bazos  
Director

  
Robert W. Lowe  
Director

The accompanying notes are an integral part of the consolidated financial statement.

16,054,887

13,464,119



<b>LIABILITIES</b>	<b>1972</b>	<b>1971</b>
	<b>\$</b>	<b>\$</b>
<b>Current Liabilities</b>		
Accounts payable and accrued charges .....	3,873,487	3,343,586
Dividends payable — Note 7 .....	113,055	—
Equipment instalments .....	2,201	3,000
Income and other taxes payable .....	780,797	356,448
Sundry mortgages payable — Note 5 .....	94,308	48,389
	<u>4,863,848</u>	<u>3,751,423</u>
<b>Long-Term Liabilities</b>		
Managers' bond deposits .....	313,375	381,550
Equipment instalments — less current portion .....	—	2,920
Series C debentures — Note 4 .....	2,000,000	2,000,000
Sundry mortgages payable — less current portion — Note 5 .....	341,346	268,260
Other .....	12,616	—
	<u>2,667,337</u>	<u>2,652,730</u>
Deferred income taxes — Note 8 .....	639,621	591,009
Total liabilities .....	<u>8,170,806</u>	<u>6,995,162</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital — Note 6</b>		
Authorized —		
8,000 — 6% cumulative class A preference shares with a par value of \$100 each, redeemable at par		
2,459,250 — non-voting, non-cumulative, participating class B preference shares without par value		
640,750 — common shares without par value		
Issued and Fully Paid —		
5,675 — class A shares (last year 5,675) .....	567,500	567,500
1,179,610 — class B shares (last year 1,178,470) .....	867,455	857,446
540,750 — common shares (last year 540,750) .....	288	288
	<u>1,435,243</u>	<u>1,425,234</u>
Retained earnings — Note 7 .....	6,448,838	5,043,723
	<u>7,884,081</u>	<u>6,468,957</u>
	<u>16,054,887</u>	<u>13,464,119</u>



*The Becker Milk Company Limited and Subsidiary Companies*  
**Consolidated Statement of Source and use of Funds**

For the year ended April 30, 1972

	1972 \$	1971 \$
<b>Source of Funds</b>		
Operations		
Net earnings for the year . . . . .	1,611,144	1,075,002
Charges not requiring an outlay of funds:		
Depreciation and amortization . . . . .	1,110,483	958,516
Deferred income taxes . . . . .	48,612	174,267
Sundry . . . . .	6,280	4,439
	<u>2,776,519</u>	<u>2,212,224</u>
<b>Other</b>		
Increase in mortgages payable — net . . . . .	73,086	119,391
Decrease in advance to associated company . . . . .	—	29,518
Issue of class B shares . . . . .	10,009	6,912
Decrease (increase) in mortgage receivable — net . . . . .	6,802	(22,000)
Sundry . . . . .	12,616	—
	<u>2,879,032</u>	<u>2,346,045</u>
<b>Use of Funds</b>		
Purchase of fixed assets (net of disposals) and progress draw payments . . . . .	2,114,360	2,246,208
Decrease (increase) in manager bond deposits . . . . .	68,175	(68,375)
Dividends . . . . .	206,029	34,050
Sundry . . . . .	38,358	19,934
	<u>2,426,922</u>	<u>2,231,817</u>
<b>Increase in working capital . . . . .</b>	<u>452,110</u>	<u>114,228</u>
Working capital at end of year . . . . .	1,288,619	836,509
Working capital at beginning of year . . . . .	836,509	722,281
Increase in working capital . . . . .	<u>452,110</u>	<u>114,228</u>



## Notes to Consolidated Financial Statements as at April 30, 1972

### 1. BASIS OF CONSOLIDATION

The accounts of the two subsidiary companies have been included in the consolidation from the date of their acquisition.

### 2. FIXED ASSETS

Fixed assets are classified as follows : —

	Cost	Accumulated Depreciation and Amortization	Net Book Value
	\$	\$	\$
Land	1,110,454	—	1,110,454
Buildings	3,142,769	287,726	2,855,043
Equipment — plant	1,289,397	734,500	554,897
— stores	6,426,308	2,836,245	3,590,063
— office	120,944	66,353	54,591
Trucks and automobiles	1,418,577	810,984	607,593
Leasehold improvements	1,403,226	573,318	829,908
	<u>14,911,675</u>	<u>5,309,126</u>	<u>9,602,549</u>

### 3. RETAIL SALES TAX ASSESSMENTS

The Company is presently contesting two assessments levied by the Ontario Retail Sales Tax Department for the period November 1, 1964 to April 30, 1970. The first assessment in the amount of \$163,375 has been paid and the second assessment in the amount of \$272,776 is still unpaid. The Company has received an opinion of legal counsel that at the present time it can successfully defend the foregoing assessments.

### 4. SERIES C DEBENTURES

The authorized maximum loan from the Company's bankers under these debentures is \$4,000,000. Under an extension granted by the Company's bankers, draw-downs may be made in minimum amounts of \$500,000 to June 30, 1974. Interest on the amounts outstanding will be at 1% above the bank's prime lending rate and is payable quarterly. Repayment of the principal is to commence not later than December 31, 1974 in annual principal instalments of not less than 10% of total loans then outstanding. The loan may be prepaid at any time without notice or bonus. The Company's bankers will receive warrants to purchase class B shares at the rate of a warrant to purchase 2,000 shares per \$500,000 loan so drawn-down in excess of \$1,000,000 until warrants to purchase an additional 12,000 shares have been issued. The price per share shall be 10% above the closing bid quotation on the day previous to the draw-down with respect to which the warrants were issued and may be exercisable for a period of five years from the date of the draw-downs. Under the terms of the extension agreement the bank's purchase price for the 4,000



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shares per warrants issued to date has been reduced from \$19% (the price applicable at the date of draw-downs) to \$15 each. These debentures are secured by a charge on all assets presently owned and hereafter acquired. Dividends may be paid on any class of shares provided capital and retained earnings exceed \$3,250,000.

## 5. SUNDRY MORTGAGES PAYABLE

This amount covers 20 mortgages on properties purchased for retail store locations and additional warehouse and/or production facilities. The principal amounts mature up to 1983 with various interest rates not exceeding 11%.

## 6. SHARE CAPITAL

During the year 1,140 non-voting class B shares were issued to employees for an aggregate sum of \$10,009.

## 7. DIVIDENDS

On December 31, 1971 the Company declared a dividend of \$6 per share on its class A shares, being the dividend accruing from January 1, 1971 to December 31, 1971. This dividend, totalling \$34,050, was paid on January 3, 1972. Dividends totalling 10¢ per share were declared on class B and common shares during the year.

## 8. DEPRECIATION

Depreciation has been calculated in accordance with the Company's established policy of amortizing the depreciable properties over their estimated useful life, with the exception of trucks and automobiles which have been depreciated at maximum normal rates permitted by regulation under The Canada Income Tax Act. The Company has continued to claim maximum allowances for income tax purposes.

## 9. FLOATING CHARGE DEBENTURES

\$450,000 principal amount of debentures of the Company, due on demand and secured by a floating charge, are lodged with the Company's bankers as collateral security for loans outstanding from time to time.

## 10. REMUNERATION OF DIRECTORS AND OFFICERS

Expenses include \$150,909 (last year \$135,703) for remuneration of officers and \$5,500 for directors' fees (last year \$5,200).

## 11. LEASES

The minimum annual rentals payable (excluding insurance, property taxes and certain other occupancy charges) under the lease obligations for store locations amount to \$1,668,358. The total minimum rental liability under leases (excluding insurance, property taxes and certain other occupancy charges) to the date of expiry or option, whichever occurs first, amounts to \$9,776,591.

## 12. FRANCHISING

During the year the Company franchised certain store locations. The franchisees' sales were included in the Company's total sales and a portion of the franchise fees were taken into income.



LANGLOIS, HAUCK & COMPANY

CHARTERED ACCOUNTANTS

170 UNIVERSITY AVENUE

TORONTO 1

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of The Becker Milk Company Limited and its subsidiary companies as at April 30, 1972 and the consolidated statements of earnings, retained earnings and source and use of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statement of earnings, retained earnings and source and use of funds present fairly the financial position of The Becker Milk Company Limited and its subsidiary companies as at April 30, 1972 and the results of its operation for the year ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Langlois Hauck & Company*

Chartered Accountants

Toronto, Ontario, July 14, 1972

*The Becker Milk Company Limited*

# TEN YEARS OF

*Year ended*

	1972	1971	1970
	\$	\$	\$
Sales.....	68,670,017	56,956,164	50,636,008
Earnings before depreciation and amortization, interest and taxes on income.....	4,381,989	3,252,808	3,271,049
Depreciation and amortization (Note 1).....	1,110,483	958,516	814,019
Interest.....	175,962	195,230	194,858
Taxes on income.....	1,484,400	1,111,560	1,197,800
Net earnings.....	1,611,144	1,075,002	1,064,372
Shareholders' equity (Note 2).....	7,316,581	5,901,457	4,853,593
Shares outstanding (Note 2).....	1,720,360	1,719,220	1,718,260
Net earnings per class B and common shares (Note 3).....	.92	.60	.60
No. of stores (at end of fiscal year).....	374	340	293
Net fixed asset additions.....	2,178,436	2,167,127	2,165,236

## Notes

1. Figures for all years have been adjusted to reflect current Company policy on depreciation and amortization.
2. Combined Class B and Common.
3. Figures for all years have been adjusted for the ten-for-one stock split of February 28, 1967.

Net earnings per share have been adjusted to allow for the current years Class "A" preference dividend.

Dividends on Class "A" shares from January 1, 1972 to

April 30, 1972 amounting to \$11,350 have not been declared and/or allowed in computing the shareholders' equity



*and Subsidiary Companies*

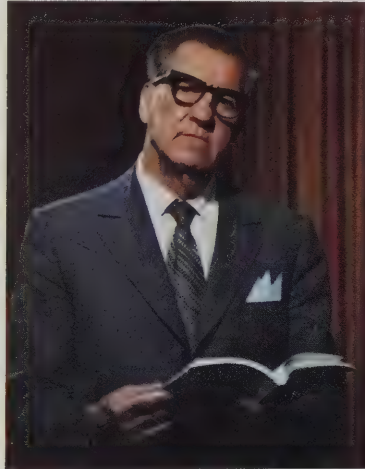
# PROGRESS

*April 30*

1969	1968	1967	1966	1965	1964	1963
\$	\$	\$	\$	\$	\$	\$
42,581,264	34,511,342	27,150,658	19,966,503	14,917,766	10,621,311	6,837,097
2,716,803	2,189,374	1,707,740	1,039,740	549,167	392,750	292,841
693,962	483,576	395,838	315,746	251,170	195,140	124,799
80,813	51,562	30,038	34,583	21,478	14,014	5,910
1,025,431	857,663	656,419	352,646	137,747	92,850	77,718
916,597	796,573	625,445	336,765	138,772	90,746	84,414
3,815,981	2,708,463	1,940,340	728,552	391,197	252,400	161,403
1,717,540	1,703,700	1,703,000	1,600,750	1,589,250	1,584,250	1,534,000
.51	.45	.35	.21	.09	.06	.06
251	201	156	127	101	81	51
2,244,977	1,973,365	887,833	655,063	763,908	597,888	819,880

## Directors and officers

Frank A. Bazos



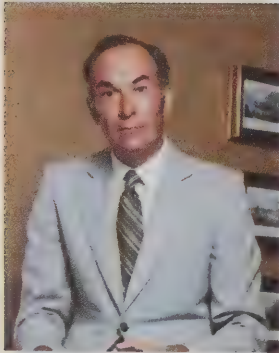
Robert W. Lowe



Robert Bazos



E. S. Miles



William H. Zimmerman



### Board of Directors

Frank A. Bazos

Robert W. Lowe

Robert Bazos

William H. Zimmerman

E. S. Miles

George Panos

Geoffrey W. J. Pottow

Arvi Magi

Chairman of the Board  
The Becker Milk Company Limited  
President  
The Becker Milk Company Limited  
President  
Perrette Dairy Limited  
Queen's Counsel

Investment Dealer

Vice-President  
The Becker Milk Company Limited  
Vice-President  
The Becker Milk Company Limited  
Vice-President — Treasurer  
The Becker Milk Company Limited

### Officers

Frank A. Bazos

Robert W. Lowe

Robert Bazos

Arvi Magi

George Panos

Geoffrey W. J. Pottow

William H. Zimmerman

R. S. Paddon

Chairman of the Board

President

Vice-President

Vice-President and Treasurer

Vice-President

Vice-President

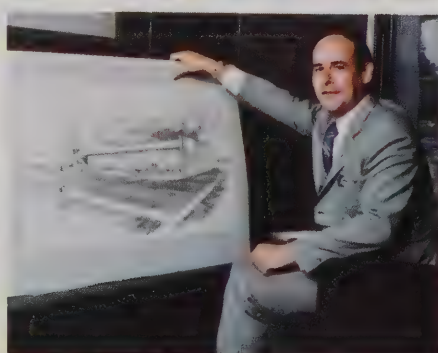
Secretary

Assistant Secretary

George Panos  
on right,  
Arvi Magi  
on left.



R. S. Paddon



Geoffrey W. J. Pottow

### Registrar and Transfer Agent

The Royal Trust Company, Toronto and Montreal

### Auditors

Langlois, Hauck & Company, Toronto

### Solicitors

Zimmerman & Winters, Toronto

### Stock Exchange Listing of Class "B" Shares

Toronto Stock Exchange

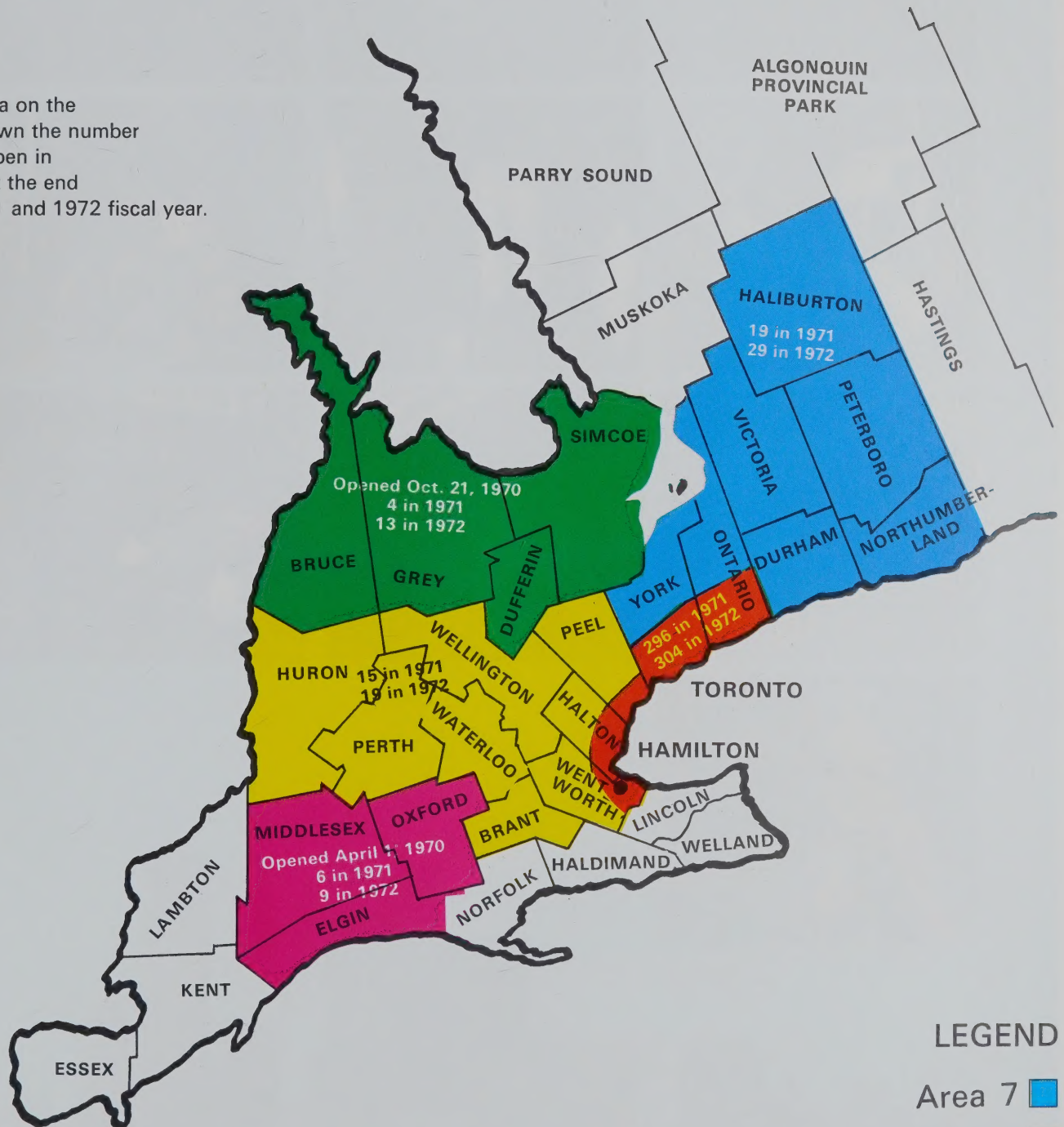
### Head Office

671 Warden Ave., Scarborough, Ontario, Canada



# Becker Country

In each area on the map is shown the number of stores open in that area at the end of the 1971 and 1972 fiscal year.



## LEGEND

- Area 7 ■
- Area 4 ■
- Area 2 ■
- Area 5 ■
- Area 6 ■



